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Letter dated 3 March 2016 from the Chair of the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities addressed to the President of the Security Council

I have the honour to transmit herewith the recommendations of the Analytical Support and Sanctions Monitoring Team pursuant to Security Council resolutions 1526 (2004) and 2253 (2015) concerning Islamic State in Iraq and the Levant (ISIL) (Da'esh), Al-Qaida and the Taliban and associated individuals and entities, submitted pursuant to paragraph 95 of Security Council resolution 2253 (2015), in which the Council requested the Monitoring Team to submit to the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities, recommendations on measures that could be taken to strengthen monitoring of global implementation of Council resolutions 2199 (2015) and 2178 (2014) and additional steps that could be taken by the Committee to improve global compliance with those resolutions.

I should be grateful if the set of those recommendations (see annex) could be brought to the attention of the members of the Security Council.

(*Signed*) Gerard **van Bohemen**
Chair
Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities

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Annex

Recommendations of the Analytical Support and Sanctions Monitoring Team pursuant to Security Council resolutions 1526 (2004) and 2253 (2015) concerning Islamic State in Iraq and the Levant (ISIL) (Da'esh), Al-Qaida and the Taliban and associated individuals and entities, submitted pursuant to paragraph 95 of resolution 2253 (2015)

1. Effective implementation of Security Council sanctions resolutions depends on a variety of actors and stakeholders who need to be enabled in an appropriate and effective way and, ideally, act in concert. The primary stakeholders in the implementation of sanctions measures are Member States and their respective authorities as well as business entities, both national and multinational.

2. In its report focusing on the threat from the Islamic State in Iraq and the Levant (ISIL)[1] and the Al-Nusra Front (S/2014/815), its report on the threat posed by foreign terrorist fighters (S/2015/358) and its impact assessment conducted pursuant to paragraph 30 of Security Council resolution 2199 (2015) (S/2015/739), the Analytical Support and Sanctions Monitoring Team pursuant to Security Council resolutions 1526 (2004) and 2253 (2015) concerning Islamic State in Iraq and the Levant (ISIL) (Da'esh), Al-Qaida and the Taliban and associated individuals and entities (hereinafter referred to as the Monitoring Team) analysed the threat that both ISIL as well as foreign terrorist fighters pose and outlined some of the challenges that Member States face during the implementation of Council sanctions measures. In addition, the Monitoring Team provided a range of recommendations on how the threat could be mitigated, how the sanctions regime as a whole could be strengthened, and what actions the Committee could take to encourage Member States to increase effectiveness.

3. The following recommendations focus on how the monitoring of the global implementation of the sanctions measures, as mandated in Security Council resolutions 2199 (2015) and 2178 (2014) could be strengthened and what additional steps could be taken to increase the effectiveness of those sanctions measures.

I. Monitoring relating to the illicit trade in oil and oil products

4. Although the illicit trade in oil generates a strategic income stream for ISIL, this illicit trade operates in a region in which millions of barrels of crude oil are traded each day. Therefore, distinguishing crude oil traded by ISIL from legally traded oil in the region presents a significant challenge.

5. Although it is technically possible to fingerprint crude oil to a specific oilfield, this process is possible only as long as the crude is not mixed with oil from other fields. Therefore, significant obstacles exist to the potential setting up of a testing process in which crude traded in the region is tested and illicitly traded oil from oilfields currently under ISIL control is subsequently identified. First of all, setting up a regional testing process would likely raise the price per barrel and would

[1] Listed as Al-Qaida in Iraq (QDe.115).

therefore introduce a regional market distortion at a time of low crude prices and diminished profit margins. Furthermore, ISIL could subvert this testing process by simply ensuring that it trades oil volumes that come only from several oilfields under its control.

6. However, in order to disrupt the illicit trading structures used by ISIL, an important first step would be increased information-sharing between the relevant national authorities of the Member States in the conflict zone as well as those neighbouring on the conflict zone.

1. **In order to collect specific information about illicit structures used by ISIL to trade oil, and in order to explore opportunities for increasing the effectiveness of existing monitoring mechanisms, the Monitoring Team recommends that the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities (hereinafter referred to as the Committee) mandate the Monitoring Team to convene a technical meeting with participants from oil ministries of the Member States in the conflict zone as well as those neighbouring on the conflict zone and report back to the Committee on its findings.**

II. Monitoring relating to the misuse of financial services by ISIL

7. The Financial Action Task Force (FATF) has recently engaged in an urgent review to ascertain the level of implementation by jurisdictions of measures to counter terrorist financing, including targeted financial sanctions. Through this initiative, the Task Force has had the opportunity to review the implementation of counter-terrorist financing measures in 196 jurisdictions within the FATF global network. As the work of the Task Force on countering terrorist financing continues, it would be valuable for the Committee to further engage with the Task Force. The President of the Task Force is planning to be at the United Nations for an open briefing on countering the financing of terrorism during the first half of 2016. However, a discussion within the confines of a closed Committee meeting might be more useful for examining sensitive issues relating to the implementation and monitoring of sanctions measures.

2. **The Monitoring Team recommends that the Committee invite the President of the Task Force to brief the Committee in further detail on the ongoing activities of the Task Force aimed at countering the financing of terrorism, including with respect to ISIL and the financing of foreign terrorist fighters, and to discuss further measures that could be taken to strengthen the monitoring of the global implementation of the financing-related provisions of Security Council resolutions 2178 (2014), 2199 (2015) and 2253 (2015). Such a briefing could potentially be held while the President is in New York for the open briefing or at a different time, depending on the schedules of the President and the Committee.**

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III. Monitoring relating to the illicit trade in cultural property

8. The effectiveness of the monitoring of the illicit trade in looted cultural property depends on the availability of data from seizures conducted by Member States. In this regard, customs authorities play a strategic role, and actions should be taken to raise the awareness of customs authorities with respect to this ongoing illicit trade. The World Customs Organization (WCO) periodically issues recommendations to its members relating to customs practices. For example, in 2013, the Committee and the Monitoring Team worked with WCO to amend the language of the Customs Cooperation Council recommendation concerning the use of advance passenger information and passenger name record data to highlight the use of those data for Security Council sanctions implementation. These recommendations, despite the fact that their implementation is voluntary for WCO members, influence customs agencies' decision-making. A new WCO recommendation focusing on the fight against the illicit trade in antiquities would galvanize the authorities of relevant Member States into action and raise their awareness of the issue. In order to increase the visibility of this measure, the potential new WCO recommendation could be issued in cooperation with the United Nations Educational, Scientific and Cultural Organization (UNESCO).

3. **The Monitoring Team recommends that the Committee mandate the Monitoring Team to cooperate with WCO and UNESCO in exploring the possibility of issuing a new WCO recommendation highlighting the risk posed by illicit trade in looted cultural property for global financing of terrorism and report back on the progress of this cooperation.**

9. The problem of the illicit trade in looted cultural property carried out by ISIL has galvanized a range of Member States and international organizations such as UNESCO, the International Council of Museums (ICOM) and the International Criminal Police Organization (INTERPOL). Enhanced monitoring of this trade is key to its future disruption.

4. **The Monitoring Team recommends that the Committee invite UNESCO, the International Council of Museums, INTERPOL and other relevant organizations to a special thematic meeting of the Committee at which they can update the Committee on their ongoing activities aimed at monitoring the international illicit trade in looted cultural property linked to ISIL and to discuss further measures that could be taken.**

10. In order to counter the illicit trade in stolen and looted cultural property by ISIL, it is crucial to increase the current information available to Member States concerning objects that have been identified as stolen or were seized by relevant authorities. The provision by, and exchange between, Member States of such information can potentially be used to identify and track underlying smuggling and illicit trading networks. One international instrument that can be used by Member States to gather and exchange information on illicitly traded cultural property is the INTERPOL database on stolen works of art.

5. **Given the growing risk of terrorism financing through the illicit trade of cultural property, the Monitoring Team recommends that the Committee write to Member States and encourage them to**

systematically update the INTERPOL database on stolen works of art with detailed information on objects stolen and seized from Iraq, the Syrian Arab Republic and Libya.

11. Although much of the focus of the international community has been on the looting of the cultural heritage in Iraq and the Syrian Arab Republic, it is important to keep in mind that ISIL also controls territory in Libya. Libya is a country with a significant number of archaeological sites; hence, there is a substantial risk that ISIL could attempt to raise funds by looting the cultural heritage of Libya. In fact, the International Council of Museums recently issued an Emergency Red List of Libyan Cultural Objects at Risk[2] in order to assist law enforcement officials as well as the art world in identifying objects originating from Libya that are at risk of being illegally traded. The Monitoring Team believes that awareness of the risk of the looting of the cultural heritage in Libya by ISIL should be raised.

12. As a first step, the Monitoring Team intends to engage relevant Member States and international organizations in exploring measures — such as a prohibition of the trade in or transfer of Libyan cultural property illegally removed from Libya or the imposition of other possible restrictive measures on the trade in cultural property from Libya — that could be taken to mitigate this risk, and will report back to the Committee on its findings.

6. **In addition, the Monitoring Team recommends that the Committee write to Member States to advise them of the risk of the looting of the cultural heritage in Libya by ISIL and encourage Member States to raise awareness with relevant authorities and business entities of the International Council of Museums Emergency Red List of Libyan Cultural Objects at Risk.**

13. One significant aspect of the illicit trade in looted and stolen cultural property is the transport and storage of these objects as they are moved from the source to the market. Developing additional hurdles in order to disrupt the activities of antiquities smugglers during this process could lower the profit margins that smugglers are able to achieve with these objects. This in turn would reduce the funds that ISIL is able to generate through this illicit trade. In the past, several Member States have seized illicit and looted antiquities in free ports, free zones and similar customs areas. Smugglers used those areas because they are not only exempted from import customs duties, but also, in most Member States, less regulated than regular storage areas. Therefore, those areas are particularly at risk of being misused to store or "stockpile" illicit and looted antiquities for a prolonged period of time until prospective buyers are found, a forged provenance for these objects can be created and/or the world's attention is no longer focused on the looting of antiquities from the Syrian Arab Republic and Iraq. However, some Member States have recently begun to introduce a range of administrative changes with respect to how these areas are regulated in order to tighten control.

7. **The Monitoring Team recommends that the Committee write to Member States to highlight the risk of the potential misuse of free zones, free ports and similar customs areas by those trading in illegally obtained cultural property. and encourage those that maintain those areas, and have not yet done so, to introduce inventory lists,**

[2] http://icom.museum/resources/red-lists-database/red-list/libya/.

describing, in particular, stored cultural property in order that customs agencies may be in a better position to identify potentially illicit antiquities, and to restrict the duration of storage for cultural property in order to mitigate the risk of the stockpiling of looted antiquities in those areas.

IV. Recommendations relating to measures for reducing access of ISIL's to arms and related materiel

14. Access to arms and related materiel remains of strategic importance for ISIL. Cooperation between Member States in this area remains key in countering this threat. INTERPOL has developed two different databases which can be used as multilateral knowledge-sharing platforms by Member States for the exchange of information. The INTERPOL Illicit Arms Records and tracing Management System (iARMS) database offers the possibility of exchanging information on small arms, while the TEAL Programme aims at improving information-sharing between police and military forces focused on improvised explosive devices (IEDs).

8. **In order to restrict the access of ISIL to illicitly trafficked arms and IED precursors, the Monitoring Team recommends that the Committee write to Member States to encourage them to set up focal points in order to improve information-sharing and to update the relevant INTERPOL databases (iARMS, TEAL Programme).**

V. Recommendation relating to the misuse of the Internet and social media by ISIL

15. ISIL uses the Internet and social media not only as a propaganda and recruitment tool but also as a communications and operational tool for planning and coordinating attacks and for providing facilitation to foreign terrorist fighters. Such services are also used to transfer knowledge, including regarding the manufacture of IEDs and the use of arms. A number of Member States and at least one regional organization, the European Union, have been discussing the misuse of the Internet and social media by ISIL, Al-Qaida, their affiliates and foreign terrorist fighters with relevant companies, including social media and Internet service providers.

9. **The Monitoring Team recommends that the Committee write to Member States to encourage those that have not yet done so, and in accordance with their national legislation, to raise awareness among social media companies and other Internet service providers operating in their territory of the risk of their services' being misused as operational tools and knowledge-sharing platforms for planning and preparing terrorist attacks as well as to provide facilitation services to foreign terrorist fighters. In addition, the Committee could emphasize that Member States should encourage such business entities to exercise vigilance and remind them that in paragraph 6 of resolution 2253 (2015) and prior resolutions, the Security Council clarified that the asset freeze relating to the provision of financial and economic resources of every kind includes, but is not limited to, those used for the provision of Internet hosting**

and related services in support of Al-Qaida, ISIL and other individuals, groups, undertakings and entities included on the ISIL (Da'esh) and Al-Qaida Sanctions List.

VI. Recommendations relating to the financing of FTFs and financial intelligence

16. Given the relatively low level of funds that are used by foreign terrorist fighters to finance their travel, and the fact that the activities that those fighters engage into raise funds (for example, selling personal property and using savings) are often in and of themselves not illegal, countering the financing of foreign terrorist fighters poses a challenge. However, financial intelligence, if leveraged properly, can be an important tool in detecting those fighters and disrupting their support networks and can help trace the movements of foreign terrorist fighters who are en route to, already in or returning from the conflict zone. Furthermore, a seemingly innocuous transaction, such as purchasing camping gear, when combined with other information potentially held by another government agency, can raise red flags and help disclose the activities of a would-be foreign terrorist fighter. Therefore, a whole-of-government approach and improved information-sharing among relevant government agencies remain critical in confronting the foreign terrorist fighter phenomenon.

10. **The Monitoring Team recommends that the Committee write to Member States to emphasize the value of financial intelligence, to encourage national authorities to increase efforts to incorporate financial intelligence into their strategy for countering foreign terrorist fighters, and to highlight the importance of sharing intelligence, including financial intelligence, with the relevant national authorities dealing with countering foreign terrorist fighters, including financial intelligence units and border and law enforcement agencies.**

17. One of the most often cited methods used by foreign terrorist fighters to raise funds to finance their travel to the conflict zone entails the abuse of credit facilities. As reported by the Monitoring Team, foreign terrorist fighters have been known to take out short-term loans from small credit institutions that charge higher interest rates without having any intention of ever repaying those loans.[3] Sometimes, the foreign terrorist fighter will apply for multiple loans of this type within a short period of time in order to raise sufficient funds quickly. Student loan, bank overdraft and credit card abuse has also been engaged in by foreign terrorist fighters to finance their travel to the conflict zone.

11. **Given the abuse by foreign terrorist fighters of credit facilities, the Monitoring Team recommends that the Committee write to Member States to encourage them to raise awareness of this risk with institutions engaged in the business of lending, especially small credit institutions that charge higher interest rates, to ensure that they are aware of this practice and practise the necessary due diligence.**

[3] See S/2015/358.

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VII. Recommendations relating to foreign terrorist fighters

18. In its first report on foreign terrorist fighters (S/2015/358), the Monitoring Team made 11 recommendations.[4] Those recommendations remain valid. In paragraph 8 of its resolution 2178 (2014), the Security Council decided that Member States should prevent the travel of foreign terrorist fighters, while in paragraph 9 of the same resolution, the Council focused on the travel of those fighters by air. Information provided by Member States to the Monitoring Team highlights the important role that other modes of transport also play in the travel of foreign terrorist fighters, particularly since those fighters are increasingly using "broken travel", that is to say, switching between various modes of transportation and using indirect routes to reach their final destination.

12. **The Monitoring Team recommends that the Committee write to Member States, to encourage those that have not yet done so, and in accordance with their national legislation, to raise the awareness of business entities that provide maritime travel services and land-based travel services, such as bus companies, of the importance of exercising vigilance with regard to the misuse of their services by foreign terrorist fighters and to highlight the important role that border management agencies such as Frontex could play in countering the global threat posed by such fighters.**

19. In paragraph 11 of its resolution 2178 (2014), the Security Council highlighted the centrality of enhanced information-sharing between Member States in countering the flow of foreign terrorist fighters, while in paragraph 13 thereof, the Council emphasized the role that INTERPOL could play in this regard. Currently, however, only about one quarter of Member States take an active role in contributing to the INTERPOL foreign terrorist fighters database. While this is not the only tool that Member States currently use to exchange data on foreign terrorist fighters, increased participation of Member States in the development of this database would increase multilateral information-sharing.

13. **The Monitoring Team recommends that the Committee write to Member States to encourage those that have not yet done so to actively participate in the INTERPOL foreign terrorist fighters database.**

20. Furthermore, a number of the individuals listed on the ISIL (Da'esh) and Al-Qaida Sanctions List are foreign terrorist fighters. One initial step towards further populating the INTERPOL database with information already shared multilaterally by Member States would entail including those foreign terrorist fighters listed in the ISIL (Da'esh) and Al-Qaida Sanctions List in the INTERPOL database.

14. **Therefore, the Monitoring Team recommends that the Committee write to the designating States of the individuals listed in the ISIL (Da'esh) and Al-Qaida Sanctions List and encourage them to ascertain whether the individuals that they have proposed for designation on the Sanctions List could be considered foreign terrorist fighters under Security Council resolution 2178 (2014) and,**

[4] See para. 76 of that report.

if they can be so considered, to submit information concerning those individuals for inclusion in the INTERPOL foreign terrorist fighters database.

21. INTERPOL has published more than one hundred analytical reports based on information shared by Member States on its foreign terrorist fighters database. These reports could be utilized as a very helpful tool by the Monitoring Team in its monitoring of the developing trends related to foreign terrorist fighters in the preparation of its regular impact assessments of Security Council resolution 2178 (2014) pursuant to paragraph 96 of Council resolution 2253 (2015).

15. **The Monitoring Team recommends that the Committee write to INTERPOL to secure the organization's agreement with respect to providing access to the analytical reports generated based on information provided by Member States to the INTERPOL foreign terrorist fighters database, to the current INTERPOL licence-holders of the Security Council Affairs Division who are supporting the Monitoring Team.**

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